GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1638
ANSWERED ON:07.08.2006
PRICES OF AGRICULTURAL INPUTS .
Kumar Shri Shailendra

Will the Minister of AGRICULTURE be pleased to state:

(a) Whether the prices of agricultural inputs have doubled during the last three years;

(b) If so, the details and reasons therefor;

(c) The action being taken by the Government to control/reduce the price of such agricultural inputs; and

(d) The efforts being made by the Government to provide remunerative prices to the farmer for their produce?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) to (c): Increase in the prices of agricultural inputs, as revealed by the Index of Prices Paid (IPP) by farmers for Intermediate input consumption, since 2002-03 is indicated below:

(Base Year: 1991=100)

Year	Index
2002-03	253.2
2003-04	259.1
2004-05	272.1

Provisional

Among the major steps taken to control/reduce the price of inputs are, provision of grant of subsidy for agricultural mechanization, production and distribution of seeds under the Centrally Sponsored Scheme of Macro Management of Agriculture; 50 per cent subsidy on the cost of foundation seed under Seed Village Programme; Seed distribution subsidy; reduction of interest rate on loans to the farmers at a rate of 7 per cent as compared to 9 to 12 per cent or even higher just a year ago.

(d): The Government`s price policy for agricultural commodities seeks to ensure remunerative prices to the growers. The Government, after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP), the views of State Governments and Central Ministries as well as other relevant factors, announces Minimum Support Prices (MSPs) for major agricultural commodities and organizes purchase operations through public and cooperative agencies.